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SUBJECT: UKRAINE: DAS KRAMER'S NATO-RELATED DISCUSSIONS

REF: A. KIEV 2932 <u>¶</u>B. KIEV 2461

Classified By: Ambassador, reason 1.4 (b,d)

- 11. (C) Summary. Ukraine's relations with NATO in the context of ongoing domestic political roundtable discussions and fading chances for a Membership Action Plan (MAP) invitation at the Riga Summit were discussed in EUR Deputy Assistant Secretary (DAS) David Kramer's July 28 meetings with Acting Foreign Minister Tarasyuk, Acting Defense Minister Hrytsenko, Rada Speaker Moroz, Party of Regions leader Yanukovych, and deputy FM Veselovsky. Tarasyuk, Moroz, and Yanukovych talked more generally in terms of Ukraine's strategic course in the framework of the roundtable discussions and a possible "broad coalition" involving their three parties (Our Ukraine, the Socialists, and Regions). The non-partisan Hrytsenko explored what Ukraine might do to improve increasingly slim chances of receiving a MAP in Riga, mulled his own future, described budgetary challenges, and highlighted recent exercises to improve Ukraine's combat readiness.
- 12. (C) Comment: Ukraine's roundtable discussions stalled July 29 after ten hours of inconclusive discussions between Yushchenko, Moroz, and Yanukovych; differences on NATO policy, along with language policy and federalism, emerged as the unreconciled issues in the talks (ref A). Hrytsenko's frustration over the budget situation suggests that, no matter who serves as Defense Minister in the next government, advancing the defense reform agenda Hrytsenko has vigorously implemented since coming into office in February 2005 will be a challenge. Hrytsenko, who is non-partisan but expresses opinions that more often align with the perspectives of Yuliya Tymoshenko than Yushchenko, spent most of the meeting discussing Ukraine's ongoing domestic political impasse, revealing a personal preference for repeat elections rather than a "broad coalition" with Yanukovych as likely Premier. In this, Hrytsenko parted ways with Ukraine's other enthusiastic endorser of early NATO membership, Acting Foreign Minister Borys Tarasyuk, now a proponent of a "broad coalition" involving Our Ukraine and Regions. End Summary and Comment.

NATO policy in roundtable discussions, coalition negotiations

13. (C) Commenting on the July 27 roundtable talks which he attended as an Our Ukraine (OU) representative, Acting FM Tarasyuk highlighted Yushchenko's support for NATO membership (ref A). Tarasyuk said OU and Regions had agreed on a separate protocol, outside a possible formal coalition agreement, on NATO that went further than previous agreements with the Socialist Pary or Tymoshenko's Bloc (BYuT) negotiated as part of the Coalition of Democratic Forces formed June 22. Regions and OU had agreed that, as soon as the new government was formed, the new PM would send a letter to the NATO Secretary General expressing Ukraine's interest

in receiving MAP (note: Tymoshenko was to have sent a similar letter had she become PM again; see ref B). Kramer cautioned that, while such a letter would be helpful, Ukraine's chances of receiving MAP at Riga remained slim.

- 14. (C) Regions' leader Yanukovych, whose chances to become PM again seemingly rose in the aftermath of the July 27 roundtable discussions, told Kramer that Regions "supported cooperation with NATO, but with a slight change in emphasis." In Yanukovych,s view, Ukraine should not be making declarations and repeating slogans about NATO. Ukraine and NATO needed instead to focus on concrete actions; this depended upon NATO, he claimed. On the issue of MAP, Yanukovych responded simply, "we agree with the President" before changing the subject.
- 15. (C) Speaker Moroz, whose Socialist party had balked at more forward-leading NATO-language in the defunct Coalition of Democratic Forces agreement and pushed similar positions during the roundtable discussions July 27-28, nevertheless confirmed to Kramer that the Regions-led "anti-crisis coalition" supported the strategic goal of joining NATO and the importance of making Ukraine a part of the European security system. Moroz pledged that the Rada would soon pass the annual authorization for foreign military exercises, confiding that the Rada had not yet passed it to pressure Yushchenko to forward Yanukovych's PM nomination for approval.

Does Ukraine still have a shot at MAP in Riga?

16. (C) Deputy FM Veselovsky told Kramer that the roundtable "Universal" document under discussion affirmed the Ukraine's

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desire for membership, with the issue of actually joining NATO decided later on the basis of a referendum. He said that once Ukraine received MAP, it would work on public opinion over a period of two to three years before holding a referendum. Veselovsky said there would be two occasions when the next prime minister could personally convey Ukraine's interest in MAP to his NATO counterparts. On September 14, the PM attend a EU-Ukraine cooperation council meeting in Brussels, making an additional visit to NATO HQ possible. On October 27, President Yushchenko and a number of cabinet members would attend the Ukraine-EU summit in Helsinki. This meeting would be a second opportunity for high-level contacts with European officials prior to Riga.

- 17. (C) Defense Minister Hrytsenko asked DAS Kramer the extent to which the West would be willing to engage Ukraine if Yanukovych were to become PM, and specifically whether Ukraine still had a chance to obtain MAP at the Riga Summit. Hrytsenko's interest was personal as well as professional; he needed to "decide whether to stay or go" as Defense Minister in the next government. Kramer reminded Hrytsenko of their previous conversation in May, when he had stated that MAP would be difficult if Ukraine did not have a government in place by July. Ukraine's friends had little to counter the Ukraine skeptics within NATO, and the May-June controversy over the canceled Sea Breeze exercise in Feodosia, Crimea had been an unfortunate setback, raising fresh doubts about Ukraine's readiness and commitment.
- 18. (C) An early letter from a newly-seated PM Yanukovych to NATO SYG de Hoop Scheffer reiterating Ukraine's desire for MAP at Riga would not be enough, stated Kramer. Two early steps Ukraine could take would be passage of a long-stalled bill authorizing foreign exercises in Ukraine, as well as ratification of the 2004 NATO-Ukraine MOU on strategic airlift signed by then PM Yanukovych. Hrytsenko opined that both should be possible in September, once the Rada reconvened from its August recess. Kramer stated that, were Yanukovych to become PM, he would need to travel to Brussels early on and to demonstrate sincere interest in relations

with NATO. Ukrainian officials needed to make their case again in Paris, the Hague, and other capitals; there was no magic formula, but such reinvigorated efforts after a government formed could increase the currently slim chances of a MAP invitation. Ambassador added that the GOU could publicize the successful, recently completed Rapid Trident computer simulation exercise, which had occurred without fanfare or press coverage.

Possible Lebanon contribution?

- 19. (C) DAS Kramer also suggested that Ukrainian contributions to a possible international peacekeeping force in Lebanon would send a positive signal to NATO partners. Hrytsenko asked that such a contribution not be added to a "must do" list for MAP, since the requirement for Rada approval of any unit deployment could complicate implementation; however, he confirmed that he was already contemplating what Ukraine might offer. If the air defense environment in southern Lebanon were permissive, for instance, Ukraine could contribute air lift capability.
- 110. (C) Note: Deputy Foreign Minister Veselovsky had told Kramer and Ambassador earlier July 28 that Ukraine was considering non-combat elements--airlift, trucks, and other logistical support communications; medical; etc.--that Ukraine would be ready to deploy within a month of being asked. He implied that the Ukrainian military relished the chance to move beyond UN PKO charges of past Ukrainian military wrongdoing in forces in Lebanon (note: force commanders in 2004 skimming money by manipulating fuel rations). In order to avoid the need for Rada approval, Ukraine would dispatch individual personnel, and not entire units.

Defense Budget challenge for whomever is the next Minister

111. (C) Hrytsenko said the decision on who might serve as the next Defense Minister is Yushchenko's, but that he would not automatically agree to stay even if asked. A primary factor would be the situation around the defense budget, which was dependent in turn on who served as Prime Minister and Finance Minister. Current PM Yekhanurov and Finance Minister Pynzenyk had underfunded the Defense Ministry in 2006; instead of the promised 8.6 billion hryvnia in the budget, Yekhanurov and Pynzenyk had pre-allocated only 7 billion, though Hrytsenko had fought for a partial reclama. The preliminary 2007 budget resolution passed July 27 in the Rada by the so-called "anti-crisis coalition" was similarly worrisome. Hrytsenko had not discussed the matter with

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Regions' leader Yanukovych, but Budget Committee Chair (and likely Minister of Finance in a Regions-led government)
Mykola Azarov was aware of the issue.

- 112. (C) Given fuel price increases, the 2006 underfunding had set back operations by 5-6 years, endangering the ambitious reform plans Hrytsenko had undertaken. In order to retain motivated personnel, the military needed to increase basic pay to the same level as that for troops in the Ministry of Interior, the security services (SBU), and the Ministry of Emergencies, as well as continue to fund exercises and operations. If other GOU personnel only paid lip service to the cause of defense reform without funding it, Hrytsenko saw no reason to stay in office without an ability to implement his agenda, merely to "push papers around my desk and serve as a friendly face for the West to engage."
- ¶13. (C) Ending on a positive note, Hrytsenko described an ongoing joint air-ground exercise, including what he said was Ukraine's first night-time drop operations in 15 years, as proof of a renewed commitment to improving the combat readiness of Ukrainian forces. An anti-terror scenario had

forced air defense troops and the Air Force to react to a potential terrorist threat against Ukrainian nuclear facilities, scrambling to respond to army helicopters approaching from different flight directions than those used by international aviation. The army was also putting together a new short-notice exercise to deploy three platoons to Crimea and along the border to Transnistria as a initial effort at "realistic scenario" training; Hrytsenko said the efforts to make training exercises more relevant to contemporary threats had been well received in the ranks.

114. (U) Visit Embassy Kiev's classified website at: www.state.sgov.gov/p/eur/kiev.
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